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AGRICULTURE, DEPARTMENT OF

The reestablishment of the Office of the Inspector General within the agency was announced in the 7/11/77 Fed. Reg., pp. 35628-29. All audit and investigative policies, programs, plans, and procedures for the entire department will fall under the Office of the IG.

COMMERCE, DEPARTMENT OF

A supplement to the annual survey of manufacturers to provide information necessary to develop estimates of alternative energy capabilities in manufacturing has been announced. The data will be collected from a subsample of the annual survey of manufacturing establishments. The sample will consist of 5,000 establishments and account for about 70% of the purchased energy consumed by manufacturers.

The Department is seeking public participation in the development of proposed and final new boycott regulations. These regulations are being prepared in accordance with Title II of P.L. 95-52.

In general, Title II prohibits U.S. persons from complying with most foreign boycott requirements, including the furnishing of most boycott-related information. Substantial increased penalties are authorized for violations of this law. Title II also requires reports to the Department of Commerce on foreign boycott requests.

The agency expects to publish the proposed regulations in the Federal Register shortly before the expiration of the statutory 90-day period following the date of enactment of P.L. 95-52 (about 9/21/77), and expects to allow 60 days thereafter for submission of comments on the proposed regulations.

Anyone wishing more information about this matter should contact Stanley J. Marcuss, 202/377-5491.

COUNCIL ON WAGE AND PRICE STABILITY

Barry P. Bosworth has been named to be the Director of the Council. Mr. Bosworth, an economist, formerly served on the staff of the Council of Economic Advisers and has more recently been a senior fellow at the Brookings Institution. He will replace Michael H. Moskow.

ENVIRONMENTAL PROTECTION AGENCY

A revision and update of the contract forms and procurement regulations for the EPA was published in the 7/1/77 Fed. Reg., pp. 33737-50. The revision conforms the regulations with the federal procurement regulations prescribed clauses, and is effective 7/1/77.

FEDERAL HOME LOAN BANK BOARD

A public meeting of the Federal Savings and Loan Advisory Council will be held 8/8-8/10/77. On Monday, during the afternoon session at the FHLBB Building in Washington, there will be a review of merger criteria as well as a discussion by the staff of an evaluation of regulations. For more information about these meetings call Ronda Furmanski at 202/276-3556.

FEDERAL POWER COMMISSION

The Commission has reaffirmed its policy on accounting for premium, discount and expense of issue gains and losses on refunding and reacquisition of long-term debt. Order No. 505-B, issued 7/8/77, affirms the accounting procedures originally adopted in Orders 505 and 505-A, noting that in this instance adherence to the FPC's rule will not be strictly in accordance with GAAP. However, the Commission believes that using the rules provided will more consistently reflect the economic realities of the utility rate-making process.

Form 40 has been adopted by the Commission despite efforts by certain private sector companies to have it terminated. On 6/30/77, Order No. 526-B was issued remanding and prescribing Form 40, which is used in the collection of reserve information on a reservoir basis under the requirements of Orders 526 and 526-A. The Commission found sufficient justification for such reserve reporting to issue the reporting requirement.

FEDERAL TRADE COMMISSION

U.S. District Judge Thomas A. Flannery upheld the FTC's right to obtain information on companies' individual lines of business. Mr. Flannery rejected the companies' arguments that the cost of supplying the information would be overly burdensome and ruled that the FTC programs at issue weren't actions subject to standard administrative review.

GENERAL SERVICES ADMINISTRATION

The 1977 edition of the "Guide to Record Retention Requirements" is now on sale. The Guide provides information concerning the keeping of records by the public. It tells the user what records must be kept, who must keep them and how long they must be kept. Copies of this Guide are available at \$2.00 per copy from the GPO.

INTERSTATE COMMERCE COMMISSION

Notice of amendments to Form OPF-200, which is required as part of a filing for a securities application, specifies that an applicant must submit forecasts appeared in the 7/11/77 Fed. Reg., pp. 35654-55. The original form is being changed so that an applicant must only submit its cash flow statement for the 12-month period preceeding the filing of an application. The effective date of these changes is stayed pending further order of the Commission.

Amendments to the Commission's corporate disclosure regulations requiring carriers with annual gross carrier operating revenues of \$20 million or more to file corporate ownership disclosure information appeared in the 7/12/77 Fed. Reg., pp. 35853-54. The annual reporting requirements include information concerning corporate structure, affiliations of officers and directors, and holders of the carriers' debts. A proposed section concerning voting stock ownership disclosures was not adopted due to substantial questions concerning its feasibility and usefulness.

JUSTICE, DEPARTMENT OF

John Shenefield, the acting antitrust chief for the past two months, has been named to head the Justice Department's Antitrust Division. He is a graduate

of Harvard University and Harvard Law School and was, prior to joining the Department, a member of the Richmond, Virginia law firm of Hunton & Williams.

LABOR, DEPARTMENT OF

Proposed amendments to the grant regulations of the Employment and Training Administration appear in the 7/8/77 Fed. Reg., pp. 35318-28. Part 98, containing the administrative provisions, contains a change to the audit requirement in Subparagraph (e) of Section 98.6. Comments on the proposed changes are due no later than 8/8/77.

NATIONAL CREDIT UNION ADMINISTRATION

The 1976 Annual Report of the Administration has been released. Activity of the National Credit Union Share Insurance Fund was high in 1976 as more than 500 State credit unions became federally-insured during the year. At year-end, 3,519 State credit unions around the country with 7.7 million members and \$9.2 billion in members' savings were protected by Federal share insurance. This brought the total number of federally-insured credit unions to 16,276. These credit unions accounted for 72% of the number and almost 78% of the savings of all credit unions in the United States. Copies of the report may be obtained by calling 202/254-9033.

PRIVACY COMMISSION

The final report of the Commission has been released. Entitled "Personal Privacy in an Information Society", the 2-year study examines individual privacy rights and recordkeeping practices, with particular emphasis on the private sector. Also included is an assessment of the effectiveness of current safeguards for personal privacy in the public sector. Among other topics, the report examines consumer credit, banking transactions, medical records, taxpayer records, and government access to "private papers" and contains a record of the Commission's hearings. In addition, each section of the report includes the Commission's recommendations for improvements in the areas studied. Copies of the report are available from the GPO for \$5.00 each (S/N 052-003-00395-3).

SECURITIES AND EXCHANGE COMMISSION

The Advisory Committee on Corporate Disclosure has issued its tentative recommendations following a 17-month investigation of the corporate disclosure system. Overall, the system of disclosure works well and should not be radically altered. Portions of the first draft of the panel's final report have been sent to the 17 members of the advisory committee and the committee expects to issue its final report by the end of September.

A.A. Sommer, Jr., a former commissioner and chairman of the Committee, in an interview, indicated that the panel would recommend that the agency continue the trend of encouraging corporations to report so-called "soft" information, that is, opinions, analyses and other subjective data, which the panel considers of "high utility by users of disclosure documents". Also, the panel will likely recommend that the SEC encourage corporations to make projections of their future performance.

An extension of time for comments on the release requesting comments on proposed railroad industry disclosure guidelines, deferred maintenance and betterment accounting (Rel. No. 33-5840) has been granted until 9/16/77.

The effective date of the requirement that the annual audited report of a registered broker or dealer include a determination by the independent accountant as to the adequacy of the procedures established by a broker or dealer for complying with the requirements for possession or control of customer securities has been extended. The new effective date for the requirement is 1/1/78.

TREASURY, DEPARTMENT OF

Three influential Senators have introduced small business legislation to encourage the formation of new businesses, to permit the growth of existing business concerns, and to encourage investment in small and medium-size firms. Entitled the "Small Business Venture Capital Act of 1977" the bill (S.1815) was introduced just before the Independence Day recess by Senators Nelson (D-WI) of the Senate Finance Committee, McIntyre (D-NH), Chairman of the Banking Subcommittee on Financial Institutions, and Weicker (R-CT) of the Appropriations Committee.

Senator Nelson, on introducing the bill, referred to it as "the most comprehensive single small business bill ever presented in the U.S. Senate". It amends the Small Business Investment Act, the Securities Act of 1933, the Investment Company Act of 1940 and the 1974 pension law (ERISA), in addition to the Internal Revenue Code of 1954.

Proposed regulations relating to mergers and consolidations of retirement plans and transfers of plan assets or liabilities appear in the 7/1/77 Fed. Reg., pp. 33770-75. The regulations are intended to provide the public with the guidance needed to comply with ERISA and would apply to all participants in a retirement plan involved in a merger, consolidation or transfer of plan assets or liabilities. Comments are requested by 8/15/77 and are proposed to be effective for such mergers or consolidations which occur after 9/2/74.

In addition, proposed amendments to the regulations relating to "collapsible corporations" appear in the 7/6/77 Fed. Reg., pp. 34523-27. Comments on these proposed changes will be accepted until 8/16/77.

An amendment to the rules relating to the perjury declaration required with those requests for rulings and determination letters has been issued (see 7/5/77 Fed. Reg., pp. 34280-81). The amendments clarify the proper form of the perjury declaration and set forth the requirements that the declaration must be signed by the person on whose behalf the request for a ruling or determination letter is made.

Final regulations relating to the definition of banking, finance, or similar business of a controlled foreign corporation appeared in the 7/7/77 Fed. Reg., pp. 34874-76. The definition is changed to achieve substantial uniformity with other regulations defining the same terms, and affect U.S. shareholders of controlled foreign corporations. For additional information call 202/566-3294.

Hearings on the subject of estate and gift tax problems arising under the Tax Reform Act of 1976 will be held 7/25/77. The hearings are directed especially at those individual taxpayers with average estates and estates containing an interest in small or closely held businesses. The hearings will be held by the Subcommittee on Taxation and Debt Management Generally, chaired by Harry F. Byrd, Jr. For more information contact the Senate Finance Committee at 202/224-4518.

Sen. Kennedy (D-MA) has proposed a \$28 billion program of tax reform and tax simplification for individuals and corporations. His plan consists of a revenue package involving tax changes of \$21 billion for individuals and \$7 billion for corporations. His remarks and an outline of his tax package appear in the 7/1/77 Cong. Record, pp. S11408-18.

SPECIAL: ACIR ISSUES REPORT ON INTERGOVERNMENTAL GRANT SYSTEM

"The Intergovernmental Grant System as Seen by Local, State and Federal Officials" is a recent report of the Advisory Commission on Intergovernmental Relations. The report gives considerable attention to categorical grants due to recent criticism concerning administration of such grants and efforts by federal managers to remedy these difficulties. The report is based primarily on a survey of city and county executives, state budget officers, a cross section of state administrators, and federal aid administrators. Copies of the report (A-54) are available by calling 202/382-2116.

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